

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 01355 181626Z

ACTION ARA-10

INFO OCT-01 ISO-00 L-03 CIAE-00 INR-07 NSAE-00 EB-08

COME-00 INT-05 OMB-01 TRSE-00 AID-05 /040 W

-----190039 096796 /63

R 181500Z FEB 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 3753

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE LIMA 1355

E.O. 11652: N/A

TAGS: BENC, EMIN, PE

SUBJECT: REQUEST FOR CLARIFICATION OF ALLEGED

IDB REQUIREMENT OF UNLIMITED LIABILITY

CLAUSE IN MINING CONSTRUCTION CONTRACT

1. DONALD HANSEN, VICE-PRESIDENT FOR

LATIN AMERICAN

OPERATIONS FOR

HOLMES AND NARVER CONTRACTORS, CALLED AT

EMBASSY FEBRUARY 16 TO INFORM US OF PROBLEM WHICH HAS

DEVELOPED IN HIS COMPANY'S NEGOTIATION WITH CENTROMIN

OVER WATER TREATMENT/COPPER

RECOVERY PROJECT FOR THE

PERUVIAN MINING COMPANY. ACCORDING TO HANSEN THE NEGOTIATIONS

ARE VERY CLOSE TO CONCLUSION BUT REMAINING SNAG IS INTER-

AMERICAN DEVELOPMENT BANK (IDB - WHICH IS PROVIDING FINANCING

FOR PROJECT) INSISTENCE THAT CENTROMIN/HOLMES-NARVER CONTRACT

CONTAIN CLAUSE PROVIDING FOR UNLIMITED LIABILITY FOR

COMPANY;

ERRORS. HANSEN SAID THAT COMPANY IS WILLING TO ACCEPT

LIABILITY UP TO \$100,000, ABOUT HALF OF VALUE OF PROJECT,

WHICH HE CLAIMED IS STANDARD FOR INDUSTRY. HE SAID

THAT IF IDB WILL NOT RELAX CONDITION, HOLMES AND NARVER

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 01355 181626Z

WILL WITHDRAW FROM PARTICIPATION IN PROJECT. HE EXPRESSED

VIEW THAT NO OTHER MAJOR CONTRACTOR WOULD ACCEPT THIS

CONDITION. HE INDICATED THAT HIS DISCUSSIONS ON SUBJECT

WITH LOCAL IDB REP HAD BEEN UNSUCCESSFUL TO DATE.

2. EMBOFF SAID THAT WE WOULD ASK DEPARTMENT TO DISCUSS

PROBLEM WITH IDB IN WASHINGTON. SINCE HANSEN PLANNED TO

RETURN TO SANTIAGO ON FEBRUARY 17, WE SAID WE WOULD ASK THAT
RESPONSE FROM WASHINGTON BE PASSED TO HIM BY EMBASSY
SANTIAGO.

3. ACTION REQUESTED: FOR DEPARTMENT: WE WOULD APPRECIATE IT IF
DEPARTMENT WOULD CONSULT WITH IDB RE HANSEN'S CLAIMS ALONG
LINES PARA 2 ABOVE, AND REPORT RESULTS OF CONVERSATIONS
TO US AND EMBASSY SANTIAGO. FOR SANTIAGO: COULD YOU PASS
TO HANSEN WHATEVER INFORMATION DEPARTMENT PROVIDES ON SUBJECT?
DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA01355
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770059-0423
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770228/aaaaayjs.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5aa17cc4-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3283310
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR CLARIFICATION OF ALLEGED IDB REQUIREMENT OF UNLIMITED LIABILITY CLAUSE IN MINING CONSTRUCTION CONTRACT
TAGS: BENC, EMIN, PE
To: STATE SANTIAGO
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/5aa17cc4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009